SECRET/SENSITIVE

1 June 1967

MEMORANDUM FOR THE DIRECTOR

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SUBJECT: Bunker's 31 May Weekly (Saigon 27204 NODIS)

- 1. This is another good piece of reporting but one you can skip if pressed for time.
- 2. Bunker opens with a discussion of the Ky-Thieu rivalry (paras 1-7). I think he fails to appreciate how serious it has already become and, hence, is too sanguine about the near-term risk of political fragmentation.

 Our own reporting (most notably disseminated as indicates that Thieu has gone -- or been encouraged to go -- a long way down the road toward building a political group to back his campaign, to the point where if he does not turn back soon, he will have too much face involved to stop. Thieu's present course of action, if continued, could split not only the military establishment but also the more responsible civilian political elements, thus making the forthcoming elections a divisive rather than a solidifying process.
- 3. The two other points of major significance are Bunker's creation of a senior US Mission steering committee -- Bunker, Locke, Westmoreland and Komer -- to monitor priority matters (paras 8-10) and his concern over rising inflationary pressures (paras 23-27).
- 4. The rest of the cable deals with political activity (11-19), I Corps (20-22), Chieu Hoi (28-31), casualties (33), and Bunker's recent visit to I Corps (34-39).

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Attachment		
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